

INITIAL STATEMENT OF REASONS

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary**Overview**

Senate Bill 855, Chapter 29, Statutes of 2014 (SB 855), authorizes the California Department of Social Services (CDSS) to take quick, effective action to protect the health and safety of residents and to minimize the effects of transfer trauma that accompany the abrupt transfer of residents by appointing a temporary manager to assume the operation of a facility that is found to be in a condition whereby continued operation by the licensee or his or her representative presents a substantial probability of imminent danger of serious physical harm or death to the residents. These regulations govern adult residential community care facilities and Residential Care Facilities for the Elderly, except where specifically exempt. These regulations do not apply to an adult residential community care facility or Residential Care Facility for the Elderly that serves six or fewer persons and is also the principal residence of the licensee.

The Department may appoint a temporary manager in any of the following circumstances:

- The Department has determined that it is necessary to temporarily suspend the license of the adult residential community care facility pursuant to Section 1550 and 1550.5 of the Health and Safety Code and the immediate relocation of the residents is not feasible based on transfer trauma, lack of alternate placements, or other emergency considerations for the health and safety of the residents.
- The Department has determined that it is necessary to temporarily suspend the license of the adult residential community care facility pursuant to Section 1550 and 1550.5 of the Health and Safety Code and the licensee is unwilling or unable to comply with the requirements of Section 1556 of the Health and Safety Code for the safe and orderly relocation of residents when ordered to do so by the Department.
- The Department has determined it is necessary to temporarily suspend the license of the Residential Care Facility for the Elderly pursuant to Section 1569.50 of the Health and Safety Code and the immediate relocation of the residents is not feasible based on transfer trauma, lack of alternate placements, or other emergency considerations for the health and safety of the residents.
- The Department has determined that it is necessary to temporarily suspend or revoke the license of the Residential Care Facility for the Elderly pursuant to Section 1569.50 of the Health and Safety Code, and the licensee is unwilling or unable to comply with the requirements of

Section 1569.525 of the Health and Safety Code for the safe and orderly relocation of residents.

- The Department has deemed the license of the Residential Care Facility for the Elderly forfeited by operation of law pursuant to Section 1569.19 of the Health and Safety Code when the licensee sells or otherwise transfers the facility, when the licensee surrenders his or her license, when the licensee abandons the facility, or when there is a change in use of the facility, and the licensee is unwilling or unable to comply with the requirements of Section 1569.682 of the Health and Safety Code for the safe and orderly relocation of residents.

For adult residential community care facilities and Residential Care Facilities for the Elderly, a temporary manager means the person, corporation, or other entity appointed temporarily by the CDSS as a substitute facility licensee or administrator with authority to hire, terminate, reassign staff, obligate facility funds, alter facility procedures, and manage the facility to correct deficiencies identified in the facility's operations. The temporary manager assumes all responsibility for the facility and its residents and directs the care and supervision activities of any person associated with the facility, including superseding the authority of the licensee and the administrator.

The regulations in this package are written to specify the requirements for the qualifications, selection and appointment of a temporary manager, the duties of the temporary manager as outlined in the facility improvement plan and the limitations on expenditures and encumbrances by the temporary manager. In order to support the ease of use and provide clarity for the Department and public, the regulations also include statutory references to ensure all temporary manager requirements are referenced in one location.

Creation of the Emergency

In October 2013, 19 frail seniors were abandoned at a community care facility in Castro Valley by the licensee after the CDSS began license revocation proceedings due to the facility's numerous violations that threatened the health and safety of the residents. The licensee abandoned the facility and left the country, leaving the residents and staff to their own resources. This tragic event led to numerous reform bills and prompted the Legislature to adopt SB 855. SB 855 authorized the Department to protect the health and safety of residents of facilities and minimize the effects of transfer trauma that accompany the abrupt transfer of residents by appointing a temporary manager to assume operation of the facility that is found to be in a condition in which continued operation by the licensee or his or her representative presents a substantial probability of imminent danger of serious physical harm or death to the residents. The temporary manager is responsible for assuming the operation of the facility in order to bring it into compliance with the law, facilitate a transfer of ownership to a new licensee, or ensure the orderly transfer of residents should the facility be required to close.

Health and Safety Code section 1546.1(c) and 1569.481(c) authorizes the Department to appoint a temporary manager under several conditions that include a temporary suspension order, revocation or forfeiture. In the past five years, the Department has served over 50 temporary suspension orders, eight of which were issued in the six months prior to April 2018, to adult residential community care facilities and Residential Care Facilities for the Elderly that had immediate substantiated health or safety risks based on the grounds specified in Health and Safety Code sections 1550, 1550.5 and 1569.50. In addition, in the six months prior to April 2018, there were 48 Residential Care Facilities for the Elderly that have undergone or are currently undergoing a license revocation or expedited license revocation. More recently in April 2018, the Department issued a temporary suspension order to a facility in San Andreas due to serious financial distress and initiated the use of a Temporary Manager to help facilitate the safe relocation of residents. The immediate circumstances required the Department to promptly respond without clear direction on roles and responsibilities, the selection process and financial documentation for the use of a temporary manager.

These types of unpredictable yet unyielding events, which often require the immediate relocation of residents, can exacerbate the substantial threat to the health and safety of residents, have exemplified the need and urgency for having a well-established process and procedure for appointing a temporary manager. By establishing the process and procedures for appointing a temporary manager and the temporary manager's authorized responsibilities, these emergency regulations ensure a qualified temporary manager is promptly appointed and equipped to take all necessary steps and make best efforts to eliminate any substantial threat to the health and safety of residents or complete the transfer of residents to alternative placements pursuant to Section 1556, 1569.525 or 1569.682 of the Health and Safety Code.

It is the intent of CDSS to promulgate these emergency regulations to ensure the needs of the resident population are met when there is a need for a temporary manager appointment. For this as well as the aforementioned reasons the entire package is properly deemed emergency.

Conclusion

As discussed above, the statutes that authorized the Department to appoint a temporary manager have assigned the CDSS a crucial role in developing, overseeing and enforcing regulations specific to temporary managers. The regulations streamline the selection process of a temporary manager and promote transparency between the CDSS, temporary managers and adult residential community care facilities and Residential Care Facilities for the Elderly. The emergency status of this package enables the Department to promptly respond to emergencies in which the health and safety of the residents is at risk.

Chapter 10, Article 1, Section 89600(a)

Specific Purpose:

A new chapter is being adopted into the California Code of Regulations (CCR) titled "Temporary Management of Adult Community Care Facilities and Residential Care Facilities for the Elderly." This section is being adopted to require adult community care facilities and Residential Care Facilities for the Elderly be governed by the provisions on this chapter in addition to other applicable regulation chapters specific to the facility category, except where specifically exempt. Article 1, titled "General Requirements and Definitions" of this new chapter includes the general regulatory requirements and definitions. Section 89600, titled "General" includes general provision regulations.

Factual Basis:

The chapter title, article title and section title are necessary to convey the topic addressed within them. They are necessary to establish a centralized chapter of requirements that clarify and specify how the Department will implement Health and Safety Code section 1546.1 and 1569.481 for adult community care facilities and Residential Care Facilities for the Elderly.

Section 89600(a)(1)

Specific Purpose:

This section is being adopted to allow adult residential community care facilities and Residential Care Facilities for the Elderly that serve six or fewer persons and are also the principle residence of the licensee not to be governed by this chapter.

Factual Basis:

This section is necessary to implement the exemption specified in Health and Safety Code sections 1546.1(o) and 1569.481(o). This section protects the rights of licensees, that serve six or fewer persons, to live in his or her own home and not have the licensee's home be taken over by temporary management. The Department may only appoint a temporary manager in the facility if it is not the licensee's home. A facility in this circumstance that is in substantial noncompliance would more likely be subject to a temporary suspension order, followed by the immediate relocation of the clients.

Section 89600(b)

Specific Purpose:

This section is being adopted to allow the CDSS to exercise Health and Safety Code sections 1546.1(c) and 1569.481(c) which allows the Department to appoint

a temporary manager when any of the circumstances in Section 89600(b)(1) through (b)(5) exist.

Factual Basis:

This section is necessary to specify the opportunities in which the Department may appoint a temporary manager as provided in Health and Safety Code sections 1546(c)(1) through 1546.1(c)(2) and 1569.481(c)(1) through 1569.481(c)(2). This section clarifies a temporary manager is only used in emergency circumstances, those circumstances include an administrative action on the facility and a need for the relocation of residents. Appointing a temporary manager in these circumstances help minimize the effects of transfer trauma that accompany the abrupt transfer of residents.

Section 89600(b)(1)

Specific Purpose:

This section is being adopted to allow the CDSS to appoint a temporary manager when the Department has determined that it is necessary to temporarily suspend the license of the adult residential community care facility pursuant to Sections 1550 and 1550.5 of the Health and Safety Code and it is not feasible to immediately relocate residents.

Factual Basis:

This section is necessary to make the circumstances in which the Department may appoint a temporary manager consistent with the circumstances listed in Health and Safety Code section 1546.1(c) and (c)(1). A temporary suspension order (TSO) of the license requires the licensee to immediately stop operating the facility. Appointing a temporary manager in this circumstance ensures someone is providing care and supervision to the residents during the emergency. This mitigates the need to immediately relocate residents who cannot easily be relocated due to health and safety risks or severe transfer trauma.

Section 89600(b)(2)

Specific Purpose:

This section is being adopted to allow the CDSS to appoint a temporary manager when the Department has determined that it is necessary to temporarily suspend the license of the adult residential community care facility pursuant to Sections 1550 and 1550.5 of the Health and Safety code and the licensee can't or won't assist with relocating residents during an emergency.

Factual Basis:

This section is necessary to make the circumstances in which the Department may appoint a temporary manager consistent with the circumstances listed in Health and Safety Code section 1546.1(c) and (c)(2). This section ensures that the Department complies with the requirements of Health and Safety Code 1556 when a TSO is in place. Once a TSO has been issued, it is primarily the responsibility of the licensee and the Department to relocate residents. If the licensee is unwilling or unable to comply with the requirements of Health and Safety Code section 1556, which provides procedures to help minimize transfer trauma during resident relocation, the Department must take action. Appointing a temporary manager to carry out these relocation requirements ensures that residents are safely relocated and helps to minimize transfer trauma.

Section 89600(b)(3)

Specific Purpose:

This section is being adopted to allow the CDSS to appoint a temporary manager when the Department has determined that it is necessary to temporarily suspend the license of the Residential Care Facility for the Elderly pursuant to Section 1569.50 of the Health and Safety Code and it is not feasible to immediately relocate the residents.

Factual Basis:

This section is necessary because if a license is temporarily suspended pursuant to Section 1569.50 of the Health and Safety Code, the immediate relocation of residents may not be feasible and there will be an emergency need for a temporary manager to take control of the facility. This section outlines a specific instance for why and when a temporary manager may be necessary for use in a Residential Care Facility for the Elderly as permitted in Health and Safety Code sections 1569.481(c) and (c)(1) which states that the Director may appoint a temporary manager when it is determined that it is necessary to temporarily suspend any license of a Residential Care Facility for the Elderly pursuant to 1569.50 and the immediate relocation of the residents is not feasible based on transfer trauma, a lack of alternate placements, or other emergency considerations for the health and safety of the residents.

Section 89600(b)(4)

Specific Purpose:

This section is being adopted to allow the CDSS to appoint a temporary manager when the Department has determined that it is necessary to temporarily suspend or revoke the license of the Residential Care Facility for the Elderly pursuant to Section 1569.50 of the Health and Safety Code, and the licensee can't or won't assist with relocating residents during an emergency.

Factual Basis:

This section is necessary because if a license is suspended or revoked pursuant to Section 1569.50 of the Health and Safety Code, the requirements of the code will not be met and there will be an emergency need for a temporary manager. It outlines a specific instance for why and when a temporary manager may be necessary for use in a Residential Care Facility for the Elderly as permitted in Health and Safety Code sections 1569.481(c) and (c)(2) which states that the Director may appoint a temporary manager when the licensee is unwilling or unable to comply with the requirements of Section 1569.525 or the requirements of Section 1569.682 regarding the safe and orderly relocation of residents when ordered to do so by the Department or when otherwise required by law.

Section 89600(b)(5)

Specific Purpose:

This section is being adopted to allow the CDSS to appoint a temporary manager in the event the Department has deemed the license of the Residential Care Facility for the Elderly forfeited by operation of law pursuant to Section 1569.19 of the Health and Safety Code when the licensee sells, transfers the facility, surrenders his or her license, abandons the facility, or changes the use of the facility, and the licensee is unwilling or unable to comply with the requirements of Section 1569.682 of the Health and Safety Code for the safe and orderly relocation of residents.

Factual Basis:

This section is necessary to ensure the residents receive care and supervision during a forfeiture and the residents are safely relocated. It provides the specific instances for why and when a temporary manager may be necessary in a Residential Care Facility for the Elderly. For the benefit of the residents, it would be better to appoint a temporary manager rather than trying to immediately relocate them due to the potential trauma to the residents. This requirement is consistent with Health and Safety Code section 1569.481(c).

Section 89600(c)

Specific Purpose:

This section is being adopted to require the temporary manager to assume operation of the facility in order to bring it into compliance with the law, facilitate a transfer of ownership to a new licensee, or ensure the orderly transfer of residents should the facility be required to close.

Factual Basis:

This section is necessary to address the problems that arise when a facility requires a temporary manager to be appointed. These problems include noncompliance with the law, the need for a transfer of ownership to a new licensee and the need to relocate residents when a facility is closing. This section is consistent with Health and Safety Code section 1546.1(a)(2) or 1569.481(a)(2).

Section 89601, Title and Introductory Statement

Specific Purpose/Factual Basis:

A section title "Definitions" is adopted and an introductory statement to clarify that the definitions in Section 89601 apply to this chapter.

Section 89601(c)(1)

Specific Purpose:

This section is being adopted to establish the definition of "Capital Improvement" as it applies to CCR, Title 22, Chapter 10. "Capital Improvement" means an expenditure to improve a fixed asset.

Factual Basis:

This section is necessary to clarify the scope of capital improvements as it pertains to the temporary manager expenditures listed in Section 89662(g). The need for capital improvements vary from facility to facility. This broad definition clarifies that capital improvements may include fixing a defect or design flaw, replacing a component of the property, or adapting an asset to a new or different use. This definition also clarifies that capital improvements do not include repair or routine maintenance.

Section 89601(e)(1)

Specific Purpose:

This section is being adopted to establish the definition of "Entity" as it applies to CCR, Title 22, Chapter 10. "Entity" means a corporation, limited liability company, partnership, limited partnership, sole proprietor, or county.

Factual Basis:

There are several definitions of the term "entity" that exists. This section is necessary to clarify who the Department considers an "entity" as it relates to temporary managers. The Department has identified these six terms to have a legal and separately identifiable existence that is capable of taking on the role of a temporary manager.

Section 89601(p)(1)

Specific Purpose:

This section is being adopted to establish the definition of "Provisional License" as it applies to CCR, Title 22, Chapter 10. The definition adopted in Title 22 is "Provisional License" and means the temporary license issued to a temporary manager.

Factual Basis:

This section is necessary to clarify that the term has a different meaning from the current definition provided in other regulatory chapters. This definition is specific to the license issued to a temporary manager which has different conditions outlined in Health and Safety Code section 1546.1 and 1569.481. These conditions allow for the licensee's existing fire safety clearance to serve as the fire safety clearance for the temporary manager's provisional license also limits the term of the provisional license to the duration of the temporary manager appointment.

Section 89601(t)(1)

Specific Purpose:

This section is being adopted to establish the definition of "Temporary Manager" as it applies to CCR, Title 22, Chapter 10. "Temporary Manager" for adult residential community care facilities and Residential Care facilities for the Elderly means the person, corporation, or other entity appointed temporarily by the Department as a substitute facility licensee or administrator with authority to hire, terminate, reassign staff, obligate facility funds, alter facility procedures, and manage the facility to correct deficiencies identified in the facility's operation. The temporary manager has the final authority to direct the care and supervision activities of any person associated with the facility, including superseding the authority of the licensee and the administrator pursuant to applicable Health and Safety Code section 1546.1(b) or 1569.481(b).

Factual Basis:

This section is necessary to provide a definition of "Temporary Manager" that is consistent with the definition provided in Health and Safety Code section 1546.1(b) and 1569.481(b).

Section 89602 Title

Specific Purpose/Factual Basis:

A section title "Description of Forms" is adopted to specify that Section 89602 contains definitions of forms that are used in the regulations for a temporary manager.

Section 89602(a)

Specific Purpose:

This section is being adopted, to incorporate by reference, the "Temporary Manager Application for Provisional License" (LIC 200TM [06/18]) form which requires a temporary manager to provide to the Department, their name, mailing address, email address, the type of facility in which the temporary manager has an interest to be appointed, facility name and address, facility phone number and email address, the administrator or person who will be in charge of or who will be in charge of the facility and their title, days and hours of operation of the facility, total capacity of the facility, number of non-ambulatory residents, number of bedridden residents who are unable to turn or reposition in bed, their signature declaring under penalty of perjury that their statement on the application is true and correct to the best of their knowledge and the date on which they signed the form.

Factual Basis:

This section is necessary to ensure that the Department has the correct contact and facility information to complete the licensing process and issue the provisional license.

Section 89602(b)

Specific Purpose:

This section is being adopted, to incorporate by reference, the "Temporary Manager Candidate List Applicant Information" (LIC 215TM [06/18]) form which requires a temporary manager candidate to provide, to the Department, identifying information about themselves whether they are an individual or an entity, educational background, references, licensure status, business experience, work experience, personal and financial information, whether the candidate has any condition that could impair his or her ability to care for the residents, whether they possess the qualifications to be a temporary manager, their signature declaring under penalty of perjury that their statements on the form are true and correct to the best of their knowledge and the date on which they signed the form.

Factual Basis:

This section is necessary for the Department to obtain from temporary manager candidate, pertinent information about educational background and prior experience to make an informed decision. The Department is able to ensure that the candidates that are on the candidate list have demonstrated proof that they meet the minimum qualifications for appointment as a temporary manager as set forth in Section 89667.

Section 89602(c)

Specific Purpose:

This section is being adopted, to incorporate by reference, the “Temporary Manager Appointment Applicant Information” (LIC 216TM [06/18]) form which requires a temporary manager appointee to provide to the Department, their name and address information, contact information, the number of hours they are available to manager on a weekly basis, their desired compensation, whether or not they previously or currently operate a residential care or health care facility, temporary manager qualifications, whether or not the information on this form was provided on the LIC 215TM (Temporary Manager Candidate List Applicant Information) and their signature declaring under penalty of perjury that their statements on the form are true and correct to the best of their knowledge and the date on which they signed the form.

Factual Basis:

This section is necessary to ensure that the Department is able to verify that the applicants are still interested in being appointed as a temporary manager and that their information is current.

Article 3, Section 89632 and Title

Specific Purpose/Factual Basis:

Article 3 is being adopted to include within it the sections on Application Procedures. Section 89632 is created to include the requirements for the temporary manager candidate list.

Section 89632(a)

Specific Purpose:

This section is being adopted to require that the Department maintain a temporary manager candidate list. This list will have pre-qualified candidates ready to assume the temporary manager role when an emergency need for a temporary manager arises.

Factual Basis:

This section is necessary to ensure a preexisting list of qualified candidates is available, which enables the CDSS to quickly send out an appointment notice to only qualified candidates when an emergency occurs with a facility and a temporary manager is required. The pre-qualified list will save valuable time in appointing a candidate to the temporary manager role. If a list is unavailable, then the Department would have to spend time collecting applications and screening candidate(s), which will delay the appointment of a temporary manager and can put the health and safety of residents at risk.

Section 89632(a)(1)

Specific Purpose:

This section is being adopted to require an applicant who wishes to be on the temporary manager candidate list to submit to the Department an application furnished by the Department (LIC 215TM "Temporary Manager Candidate List Applicant Information") that demonstrates proof that the applicant meets the minimum qualifications for appointment as a temporary manager as set forth in Section 89667.

Factual Basis:

This section is necessary to ensure the Department can screen through applicants and ensure applicants who are selected to be temporary manager candidates are qualified to act as a substitute facility licensee or administrator with authority to hire, terminate, reassign staff, obligate facility funds, alter facility procedures, and manage the facility to correct deficiencies identified in the facility's operation.

Section 89632(a)(2)

Specific Purpose:

This section is being adopted to require the Department to notify all applicants whether their application has been approved or denied for placement on the temporary manager candidate list within 60 days of receipt of a completed application via mail or electronic transmission. This section also permits the Department to request further documentation to support an application, if necessary. If an applicant is denied placement on the list, this section also requires the Department to notify the applicant of the reasons the applicant is not qualified for placement on the list if denied.

Factual Basis:

This section is necessary to ensure that the application process is streamlined and provides the applicant the opportunity to supplement an application that might otherwise be insufficient. This section also provides increased transparency by

ensuring that denied applicants are provided the reasons for the denial of the application.

Section 89632(a)(3)

Specific Purpose:

This section is being adopted to specify that placement on the temporary manager candidate list does not guarantee appointment as a temporary manager.

Factual Basis:

This section is necessary to clarify the Department's authority in selecting the temporary manager based on the applicant's qualifications and capacity to run a licensed adult residential community care facility or Residential Care Facility for the Elderly. The appointment of the temporary manager from the candidate list is in response to an emergency need to protect the health and safety of residents, which makes it crucial that the Department's authority and discretion to act decisively and timely is clear.

Section 89632(a)(4)

Specific Purpose:

This section is being adopted to allow temporary manager candidates to remain candidates for three years. This section requires the Department to send a renewal notice no less than 90 days prior to the expiration date of placement and allows the Department to remove candidates from the temporary manager list if they do not confirm interest in remaining on the list and verify that all previously provided information is still valid and current.

Factual Basis:

This section is necessary to clarify for all persons on the candidate list that they will not have to reapply to stay on the list but will be responsible for verifying that the information they previously provided is still valid and current. If not current, they are responsible for providing any changes to their previously reported information. This section also helps ensure that the temporary manager candidates continue to meet the minimum qualifications and are aware of when their list eligibility expires and the need to reapply to remain on the list. 90 days notice for list eligibility expiration provides a reasonable amount of time for the candidate to determine if he/she wishes to remain on the list and verify current information. A shorter time period may not provide the candidate enough time to verify information and a longer time period may be too much advance notice, which may result in the licensee disregarding the notice. Three years is a reasonable amount of time for a temporary manager candidate to be available, as a higher number may be enough time for an applicant to no longer meet the qualifications, and a lower number may

number would be overly burdensome on applicants due to the extensive vetting process.

Section 89632(a)(5)

Specific Purpose:

This section is being adopted to require individuals and entities on the temporary manager candidate list to keep application information provided in the application valid and current with the Department.

Factual Basis:

This section is necessary to ensure there is no time wasted in verifying that information is valid and current when an emergency arises. This section enables the Department to quickly reach temporary manager candidates when appointment of a temporary manager is needed.

Section 89633, Title

Specific Purpose/Factual Basis:

A section title "Temporary Manager Appointment" is adopted to specify that Section 89633 is regarding temporary manager appointment.

Section 89633(a)

Specific Purpose:

This section is being adopted to require the Department to issue a notice to all temporary manager candidates on the list when asking for applications for appointment. The notice provides temporary manager candidates with specific information regarding the facility including the name, location, current occupancy, the estimated duration of the appointment and the deadline for reply.

Factual Basis:

This section is necessary to ensure all temporary manager candidates on the list have the opportunity to apply for the appointment opportunity and provides temporary manager candidates with information specific to the facility and the appointment details so that the candidates can make an informed decision on whether to respond to the notice.

Section 89633(b)

Specific Purpose:

This section is being adopted to require temporary manager candidates that receive the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to reply on a form furnished by the Department (LIC 216TM "Temporary Manager Appointment Information") and agree to the provisions in Section 89633(b)(1) through Section 89633(b)(8). The LIC 216TM form is required and substitutes are not permitted.

Factual Basis:

This section is necessary to ensure the Department has pertinent information about the temporary manager candidates to make an informed decision when choosing who to appoint.

Section 89633(b)(1)

Specific Purpose:

This section is being adopted to require temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to acknowledge that the appointment is effective on the date of approval and confirm that the candidate is available for a period not to exceed 60 days unless otherwise extended in accordance with Health and Safety Code section 1546.1(h)(2) or 1569.481(h)(2) at the discretion of the Department.

Factual Basis:

This section is necessary to ensure the interested temporary manager candidates are available to serve the estimated duration of the appointment in accordance with the requirement in Health and Safety Code sections 1546.1(e)(1) and 1569.481(e)(1) which state that the appoint of a temporary manager shall be immediately effective and shall continue for a period not to exceed 60 days unless otherwise extended at the discretion of the Department.

Section 89633(b)(2)

Specific Purpose:

This section is being adopted to require temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to provide the number of hours available to manage the facility on a weekly basis.

Factual Basis:

This section is necessary to ensure the Department can select a temporary manager candidate that is available to manage the facility and to work the sufficient amount of hours in order to bring the facility into compliance.

Section 89633(b)(3)

Specific Purpose:

This section is being adopted to require the temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager, to confirm meeting all qualifications of appointment as a temporary manager at the identified facility, as required by Section 89667, prior to an appointment to a facility.

Factual Basis:

This section is necessary to ensure the interested temporary manager candidate still meets the qualifications to be a temporary manager as required by Section 89667. There may be a lapse in time between the approval to be placed on the candidate list and the time the appointment notice is sent out. Therefore, it is important for the Department to verify that the interested candidate still meets all the required qualifications.

Section 89633(b)(4)

Specific Purpose:

This section is being adopted to require the temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to confirm that the temporary manager candidate or an immediate family member of the candidate does not have a financial ownership interest in the facility or its licensee pursuant to the applicable Health and Safety Code section 1546.1(i)(3) or 1569.481(i)(3).

Factual Basis:

This section is necessary to ensure the Department is able to verify that the temporary manager candidate meets the requirement in Health and Safety Code section 1546.1(i)(3) or 1569.481(i)(3) and that there is not a conflict of interest with the candidate or that his or her immediate family member has a financial ownership interest in the facility or licensee.

Section 89633(b)(5)

Specific Purpose:

This section is being adopted to require the temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to confirm that the temporary manager candidate currently does not serve, or within the past two years has served, as a member of the staff of the facility pursuant to the applicable Health and Safety Code section 1546.1(i)(4) or 1569.481(i)(4).

Factual Basis:

This section is necessary to ensure the Department is able to verify that the temporary manager candidate meets the requirement in Health and Safety Code section 1546.1(i)(4) or 1569.481(i)(4) and that there is not a conflict of interest with the candidate currently or previously having served as member of the staff within the last two years. A conflict of interest may occur if the candidate stands to financially gain by currently or previously having served as an employee. Two years is a reasonable amount of time for the candidate to have not been employed at the facility in order to potentially cause a conflict of interest and statute requires the two-year timeline.

Section 89633(b)(6)

Specific Purpose:

This section is being adopted to require the temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to confirm they are responsible to continue operation in order to bring the facility into compliance with the law.

Factual Basis:

This section is necessary to ensure the interested temporary manager candidate is aware that the temporary manager is responsible for continuing operation in order to bring the facility into compliance with the law. This section provides transparency in the Department's expectations of the temporary manager's role.

Section 89633(b)(7)

Specific Purpose:

This section is being adopted to require the temporary manager candidates that received the notice as described in Section 89633(a) and are interested in being appointed as a temporary manager to provide to the Department the candidate's desired compensation if appointed.

Factual Basis:

This section is necessary to ensure that the Department can select the most qualified and competitive temporary manager candidate based on the information provided in the temporary manager appointment application. Being aware of the amount the temporary manager candidate would like to be compensated allows the Department to better estimate the cost of the temporary manager appointment.

Section 89633(c)

Specific Purpose:

This section is being adopted to allow the Department to request a curriculum vitae or resume and a copy of all current certifications and licenses from temporary manager candidates who applied for the appointment.

Factual Basis:

This section is necessary to ensure the Department can make an informed decision when selecting a temporary manager candidate for appointment. The Department has determined that documentation on compliance history, curriculum vitae or resumes, and current certifications and licenses may help in selecting the most qualified candidate.

Section 89633(d)

Specific Purpose:

This section is being adopted to require the Department to select one candidate from the list of qualified candidates that replied with the information required in Section 89633(b) and notify the temporary manager candidate via mail or electronic transmission when a candidate has been selected. This section also requires the Department to notify candidates who are not selected.

Factual Basis:

This section is necessary to clarify that only a temporary manager candidate that replied in the notice as described in Section 89633(b) may be selected for appointment and ensures temporary manager candidates are in receipt of clear communication regarding whether they were chosen to be appointed as the temporary manager. In addition, this section is necessary to specify the method in which candidates will be notified.

Section 89633(d)(1)

Specific Purpose:

This section is being adopted to require the temporary manager candidate who is selected for appointment to submit an application form that is furnished by the Department (LIC 200TM "Temporary Manager Application for Provisional License") for a provisional license for the facility they are going to operate. If approved, the Department shall issue such license to operate to the selected manager. The LIC 200TM form is required and substitutes are not permitted.

Factual Basis:

This section is necessary to establish a provisional license for the temporary manager and is necessary to ensure that the prospective selected temporary manager is aware of the procedural requirement to submit an application for a temporary license to operate in order to act as a temporary manager in a licensed adult residential community care facility or Residential Care Facility for the Elderly.

Section 89633(d)(2) and Handbook

Specific Purpose:

This section is being adopted to require the temporary manager to understand that the appointment is on an independent contractor basis. The handbook section provides pertinent language from Health and Safety Code sections 1546.1(d)(1) and 1569.481(d)(1).

Factual Basis:

This section is necessary to ensure that the prospective temporary manager is aware that the appointment shall be on an independent contractor basis and the employees of the temporary manager also act in an independent capacity and not as officers or employees of the Department. This section provides transparency in the Department's temporary manager appointment process.

Section 89633(e)

Specific Purpose:

This section is being adopted to require the Department to set forth in written contract with the selected temporary manager the terms and conditions, budget, and responsibilities of the temporary management of the facility.

Factual Basis:

This section is necessary to ensure the Department follows the appropriate contract procedures for appointing a temporary manager. The contract identifies

the agreed upon responsibilities and expected compensation and costs between the temporary manager and Department. The contract is required in order for the Department to compensate the temporary manager and supports the requirement in Section 89633(c)(2), which states that the appointment is on an independent contractor basis.

Section 89633(f)

Specific Purpose:

This section is being adopted to require the appointment of a temporary manager to be effective on the date of approval as provided on the provisional license and to continue for a period not to exceed 60 days unless otherwise extended by the Department pursuant to Health and Safety Code sections 1546.1(e)(1) and 1569.481(e)(1).

Factual Basis:

This section is necessary to ensure the appointment of a temporary manager is in accordance with Health and Safety Code sections 1546.1(e)(1) and 1569.481(e)(1) which state that the appointment of a temporary manager shall be immediately effective and shall continue for a period not to exceed 60 days unless otherwise extended in accordance with Health and Safety Code section 1546.1(h)(2) at the discretion of the Department.

Section 89633(g) and Handbook

Specific Purpose:

This section is being adopted to allow the Department to terminate the temporary manager appointment earlier than the projected timeframe if any of the events listed in Health and Safety Code section 1546.1(e) or 1569.481(e) occur. The handbook section provides pertinent language from Health and Safety Code sections 1546.1(e)(1) and 1569.481(e)(1).

Factual Basis:

This section is necessary to ensure the temporary manager is aware of the events that may terminate the appointment of a temporary manager earlier than the projected timeframe.

Section 89633(h)

Specific Purpose:

This section is being adopted to allow the Department to rescind the appointment of a temporary manager and appoint a new temporary manager at any time the

Department determines the temporary manager is not adhering to the conditions of the appointment.

Factual Basis:

This section is necessary to ensure the Department selects the most qualified temporary manager for the particular situation based on the availability of qualified candidates and the candidate's capacity to run the particular facility. The unique circumstances of each temporary manager appointment require the Department's discretion to select the most qualified candidate for each circumstance and if the appointed temporary manager is not adhering to the conditions of the appointment, this section allows the Department to rescind their offer of temporary manager and appoint a new temporary manager.

Section 89637, Title

Specific Purpose/Factual Basis:

A section title is adopted to specify that Section 89637 is regarding the facility improvement plan.

Section 89637(a)

Specific Purpose:

This section is being adopted to require the Department to work with the temporary manager to develop and maintain a facility improvement plan in order to bring the facility into compliance with the law, to facilitate a transfer of ownership to a new licensee, or to ensure the orderly transfer of residents should the facility be required to close. The facility improvement plan is required to include, but is not limited to, the items in Section 89637(a)(1) through (a)(2).

Factual Basis:

This section is necessary to ensure the temporary manager is aware of the responsibilities that the temporary manager must take on as required by the Department. The facility improvement plan provides transparency in the Department's expectations for the temporary manager's duties and helps keep track of the items that must be brought into compliance.

Section 89637(a)(1)

Specific Purpose:

This section is being adopted to require the Department to develop and maintain a facility improvement plan, as described in Section 89637(a), that includes a comprehensive list of noncompliance items that shall be organized by the urgency of the health and safety needs of the residents.

Factual Basis:

This section is necessary to ensure the Department's facility improvement plan clearly lists the noncompliance items and identifies the priority order of the noncompliance items in which the temporary manager is expected to bring into compliance to ensure the health and safety of the residents. This section meets the specificity and clarity standards of the APA.

Section 89637(a)(2)

Specific Purpose:

This section is being adopted to require the Department to develop and maintain a facility improvement plan, as described in Section 89637(a), that includes the necessary action for each listed noncompliance item and the timeframe by which the noncompliance item will be brought into compliance.

Factual Basis:

This section is necessary to ensure the Department's facility improvement plan clearly provides the expectations regarding the action for each listed noncompliance item and timeframe by which the action is completed. This section meets the specificity and clarity standards of the APA.

Section 89637(b)

Specific Purpose:

This section is being adopted to allow the temporary manager to identify noncompliance items and propose compliance actions to add to the facility improvement plan as discovered.

Factual Basis:

This section is necessary to ensure the Department is aware of new or changing noncompliance items that may not have been identified initially. This helps to ensure the facility improvement plan fully encompasses any noncompliance items that may affect the health and safety of the residents.

Section 89637(c)

Specific Purpose:

This section is being adopted to require the Department to review the progress and results of the facility improvement plan on a weekly basis or more often as necessary.

Factual Basis:

This section is necessary to ensure the Department is actively involved in and monitoring the progress of the facility improvement plan. This also provides transparency in the Department's procedures for ensuring compliance for the identified items in the facility improvement plan.

Article 6, Section 89662 and Title

Specific Purpose/Factual Basis:

Article 6 is being adopted to include within it the sections on Continuing Requirements. Section 89662 is created to include the requirements for the finances related to the temporary manager.

Section 89662(a)

Specific Purpose:

This section is being adopted to require the Department to notify the licensee in writing that per Health and Safety Code section 1546.1(j)(1) and 1569.481(j)(1), he or she may be responsible for the costs of the temporary manager and any other expenses in connection with the temporary management. This section allows these costs to be paid directly by the facility upon agreement by the Department and the licensee.

Factual Basis:

This section is necessary to ensure payment of the costs of the temporary manager and any other expenses in connection with the temporary management comply with the requirements of Health and Safety Code section 1546.1(j)(1) and 1569.481(j)(1).

Section 89662(b)

Specific Purpose:

This section is being adopted to require the Department to pay the costs described in Section 89662(a) if the licensee fails to pay, which may result in subsequent reimbursement to the Department by the licensee pursuant to Health and Safety Code section 1546.1(j)(1) and 1569.481(j)(1).

Factual Basis:

This section is necessary to ensure payment of the costs of the temporary manager and any other expenses in connection with the temporary management comply with the requirements of Health and Safety Code section 1546.1(j)(1) and 1569.481(j)(1).

Section 89662(b)(1)

Specific Purpose:

This section is being adopted to allow the temporary manager, with permission from the Department, to use his or her own funds for any necessary immediate expenses. This section also requires the Department to reimburse the temporary manager for these expenses pursuant to the written contract described in Section 89633(d).

Factual Basis:

This section is necessary to ensure the temporary manager can address any immediate health and safety needs that require the use of funds right away. The emergency circumstances that accompany a temporary manager appointment can be unpredictable and may require the temporary manager to make expenditures to ensure the health and safety of the clients. This may include, but is not limited to, the need to purchase food or pay staff who have not been paid. This section ensures that payment of the costs of the temporary manager and any other expenses in connection with the temporary management comply with the requirements of Health and Safety Code section 1546.1(j)(1) and 1569.481(j)(1).

Section 89662(b)(1)(A)

Specific Purpose:

This section is being adopted to require the temporary manager to provide to the Department, receipts or invoices of costs for which the temporary manager seeks to have reimbursed by the Department.

Factual Basis:

This section is necessary to ensure the Department can verify the exact amount of the temporary manager's claimed costs and expenditures.

Section 89662(b)(1)(B)

Specific Purpose:

This section is being adopted to require the temporary manager to provide to the Department, documentary evidence that each expense that the temporary manager seeks to have reimbursed by the Department is reasonably necessary for the operation of the facility.

Factual Basis:

This section is necessary to ensure expenses by the temporary manager are justified and necessary to meet the needs of the residents. This section places the burden on the temporary manager to justify the expenses to be reimbursed and reduces the potential for fraud.

Section 89662(c)

Specific Purpose:

This section is being adopted to allow the Department to take legal action to recoup the costs of the temporary manager and associated expenses from the licensee if the licensee does not pay the costs.

Factual Basis:

This section ensures that payment of the costs of the temporary manager and any other expenses in connection with the temporary management comply with the requirements of Health and Safety Code section 1546.1 and 1569.481.

Section 89662(d)

Specific Purpose:

This section is being adopted to require that the budget for the contract required in Section 89633(d) not exceed the sum of forty-nine thousand, nine hundred ninety-nine dollars (\$49,999) unless approved by the Department.

Factual Basis:

This section is necessary to ensure the contract required in Section 89633(d) aligns with the requirement in Health and Safety Code section 1546.1(k)(2) or 1569.481(k)(2) which states that total encumbrances and expenditures by the temporary manager for the duration of the temporary management shall not exceed the sum of \$49,999 unless approved by the director in writing.

Section 89662(d)(1)

Specific Purpose:

This section is being adopted to require that any projected expenditures in the budget be necessary for the standard operation of the facility or necessary to support the facility improvement plan as required in Section 89637.

Factual Basis:

This section is necessary to ensure that only necessary expenditures that are required for the standard operation of the facility or to support the facility improvement plan are allowed. This helps provide transparency in the budget for the temporary manager and prevents unnecessary spending.

Section 89662(e)

Specific Purpose:

This section is being adopted to require any single contract for outside services in excess of five thousand dollars (\$5,000) be approved by the Department pursuant to the applicable Health and Safety Code section 1546.1(k)(1)(C) or 1569.481(k)(1)(C).

Factual Basis:

This section is necessary to ensure that any single contract for outside services in excess of \$5,000 is in compliance with Health and Safety Code section 1546.1(k)(1)(C) or 1569.481(k)(1)(C), which requires that any contract for outside services in excess of \$5,000 be approved by the director. This section helps ensure the Department's oversight of the temporary manager's expenditures.

Section 89662(f)

Specific Purpose:

This section is being adopted to require any single expenditure by the temporary manager in excess of five thousand dollars (\$5,000) be approved by the Department pursuant to the applicable Health and Safety Code section 1546.1(k)(2) or 1569.481(k)(2).

Factual Basis:

This section is necessary to ensure that any single expenditure by the temporary manager in excess of \$5,000 is in compliance with Health and Safety Code section 1546.1(k)(2) or 1569.481(k)(2), which requires that expenditures by the temporary manager in excess of \$5,000 be approved by the director. This section helps ensure the Department's oversight of the temporary manager's expenditures.

Section 89662(g)

Specific Purpose:

This section is being adopted to prohibit the temporary manager from making capital improvements to the facility totaling in excess of five thousand dollars

(\$5,000) without the approval of the Department pursuant to the applicable Health and Safety Code section 1546.1(k)(3) or 1569.481(k)(3).

Factual Basis:

This section is necessary to ensure that capital improvements to the facility totaling in excess of \$5,000 is in compliance with Health and Safety Code section 1546.1(k)(3) or 1569.481(k)(3), which requires the temporary manager to obtain approval for capital improvements to the facility in excess of \$5,000. This section helps ensure the Department's oversight in the temporary manager's expenditures.

Section 89662(h) and Handbook

Specific Purpose:

This section is being adopted to require the responsibilities of the temporary manager to possibly include, but not be limited to, the requirements established in Health and Safety Code section 1546.1(k) or 1569.481(k). The handbook section is included for ease of reference.

Factual Basis:

This section is necessary to identify additional responsibilities that the temporary manager may have that are listed in Health and Safety Code section 1546.1(k) or 1569.481(k). This section provides transparency in the Department's expectations of the temporary manager.

Section 89667, Title

Specific Purpose/Factual Basis:

A section title is adopted to specify that Section 89667 is regarding the temporary manager qualifications.

Section 89667(a)

Specific Purpose:

This section is being adopted to require the Department to determine whether the temporary manager applicant is qualified based on his or her education and experience. This section requires an applicant who wishes to be qualified or appointed as a temporary manager to meet at a minimum the requirements in Section 89667(a)(1) through (12).

Factual Basis:

This section is necessary to provide the minimum qualifications for relevant experience and knowledge of a temporary manager. These qualifications ensure

the temporary manager is able to provide adequate care and supervision to meet the needs of the residents. These qualifications are based on the qualifications found in Health and Safety Code section 1546.1(i) and 1569.481(i) and the Department's qualifications for administrators found in Title 22 of the California Code of Regulations.

Section 89667(a)(1)

Specific Purpose:

This section is being adopted to require the applicant to meet the requirement listed in Section 89667(a)(1)(A) or (B).

Factual Basis:

This section is necessary to supplement the requirement in Health and Safety Code section 1546.1(i)(1) or 1569.481(i)(1) which requires that a temporary manager be qualified to oversee correction of deficiencies on the basis of experience and education. The Department believes that meeting this requirement qualifies the temporary manager to oversee the correction of deficiencies. Having prior experience with residents in an adult residential community care facility or Residential Care Facility for the Elderly is crucial to being able to understand and address the needs of the residents in a facility in which a temporary manager appointment is necessary.

Section 89667(a)(1)(A)

Specific Purpose:

This section is being adopted to require an applicant who wishes to be qualified or appointed as a temporary manager to be either a current certified administrator or licensee of an Adult Residential Facility or a Residential Care Facility for the Elderly, or meet the requirement listed in Section 89667(a)(1)(B).

Factual Basis:

This section is necessary to ensure that the temporary manager is familiar with the Department's licensing requirements. A certified administrator or licensee of these facilities has been informed about the operation of community care facilities and is familiar with the type of residents that are served in these facilities.

Section 89667(a)(1)(B)

Specific Purpose:

This section is being adopted to require an applicant who wishes to be qualified or appointed as a temporary manager to either meet the requirement listed in Section

89667(a)(1)(A) or have a minimum of six months experience as an administrator or licensee of a facility that provides care and supervision to elderly or adult residents.

Factual Basis:

This section is necessary to ensure the applicant has experience with the type of clients in which the temporary manager may need to provide care for. In the Department's experience, six months of experience in either the administrator or licensee role is enough time to understand the needs of elderly or adult clients. Experience less than six months is not adequate to fully understand the complex needs of the residents. Because the temporary manager is expected to address serious problems with the facility immediately, the Department must appoint an individual or entity who can provide adequate care to these vulnerable residents.

Section 89667(a)(2)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to not be the subject of any current or pending civil, criminal, or administrative actions by the Department or any other state agency nor have ever been excluded from a Department-licensed facility pursuant to Health and Safety Code section 1558 or 1569.58 or had a license or certification suspended or revoked by an administrative action by the Department or any other state agency pursuant to applicable Health and Safety Code section 1546.1(i)(2) or 1569.481(i)(2).

Factual Basis:

This section is necessary to ensure the temporary manager is in compliance with Health and Safety Code section 1546.1(i)(2) or 1569.481(i)(2). This section helps ensure the temporary manager is in good standing with the Department or any other state agency.

Section 89667(a)(3)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to currently employ or contract with, or have the ability to promptly employ or contract with criminally cleared staff who are able to assist the temporary manager in addressing the identified problems with the facility and perform activities required by statute and regulation for the operation of the facility.

Factual Basis:

This section is necessary to ensure the temporary manager is able to promptly obtain staff, if needed, during the emergency. Being able to do this helps ensure staff are available to meet the health and safety needs of the residents and address any noncompliance items.

Section 89667(a)(4)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have proof of a business line of credit or immediately accessible funds.

Factual Basis:

This section is necessary to ensure the temporary manager has access to funds that would support running a business which may be necessary to meet the financial needs of a facility as an appointed temporary manager until they are reimbursed through the contract agreement with the Department.

Section 89667(a)(5)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to maintain an active email address that will be submitted to the Department.

Factual Basis:

This section is necessary to ensure the Department is able to contact the temporary manager via email if needed.

Section 89667(a)(6)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have attained 21 years of age.

Factual Basis:

This section is necessary to ensure the temporary manager qualification requirements align with the qualification requirements of an administrator of an adult residential community care facility or a Residential Care Facility for the Elderly

which requires an administrator to be at least 21 years of age as required in California Code of Regulations, Title 22, Section 85064(c) and Section 87405(d)(7).

Section 89667(a)(7)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have the ability to maintain and supervise the maintenance of financial and other records necessary to the operation of the facility.

Factual Basis:

This section is necessary to ensure the temporary manager qualification requirements align with the qualification requirements of an administrator of an adult residential community care facility or a Residential Care Facility for the Elderly which requires an administrator to have the ability to maintain or supervise the maintenance of financial or other records as required in California Code of Regulations, Title 22, Section 80064(a)(4) and Section 87405(d)(3).

Section 89667(a)(8)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have the ability to direct the work of others.

Factual Basis:

This section is necessary to ensure the temporary manager qualification requirements align with the qualification requirements of an administrator of an adult residential community care facility or a Residential Care Facility for the Elderly which requires an administrator to have the ability to direct the work of others, when applicable as required in California Code of Regulations, Title 22, Section 80064(a)(5) and Section 87405(d)(4).

Section 89667(a)(9)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have the ability to assess and establish the facility's plan of operation and budget.

Factual Basis:

This section is necessary to ensure the temporary manager qualification requirements align with the qualification requirements of an administrator of an adult residential community care facility or a Residential Care Facility for the Elderly which requires an administrator to have the ability to establish the facility's policy, program and budget as required in California Code of Regulations, Title 22, Section 80064(a)(6) or have the responsibility to administer the facility in accordance with regulations, established policy, program and budget as required in Section 87405(i)(1).

Section 89667(a)(10)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have the ability to arrange for health-related services.

Factual Basis:

This section is necessary to ensure the temporary manager is able to address any health-related needs of the residents, as these are often the most urgent considerations that the temporary manager is hired to perform.

Section 89667(a)(11)

Specific Purpose:

This section is being adopted to require the applicant who wishes to be qualified or appointed as a temporary manager to have knowledge of the requirements for providing care and supervision, including the ability to communicate with the residents that may be served in an adult residential community care facility or Residential Care Facility for the Elderly.

Factual Basis:

This section is necessary to ensure the interested temporary manager candidate is knowledgeable of the care and supervision requirements that are crucial to ensuring the health and safety of the residents. In order to successfully manage the facility, the temporary manager must be able to communicate with the residents.

Section 89667(a)(12)

Specific Purpose:

This section is being adopted to require a temporary manager who is an individual to have an associate degree or bachelor's degree in fields related to social services, health, and/or business management.

Factual Basis:

This section is necessary to ensure the temporary manager has a formal educational background that is relevant to the role of a temporary manager. The fields of social services, health and business management include principles and concepts that are essential to operating a community care facility and meeting the needs of the residents.

b) Identification of Documents Upon Which Department Is Relying

SB 855 (Chapter 29, Statutes of 2014), Section 11 (Health and Safety Code section 1546.1) and Section 24 (Health and Safety Code section 1569.481).

c) Local Mandate Statement

These regulations do not impose a mandate on local agencies. There are no state-mandated local costs in this order that require reimbursement under the laws of California. Implementation of the regulations only impact adult residential community care facilities or Residential Care Facilities for the Elderly with the applicable circumstances in Health and Safety Code section 1546.1(c) or 1569.481(c).

d) Statement of Alternatives Considered

In developing the regulatory action, CDSS did not consider any other alternatives because the Legislature, through the above-mentioned bill, mandates the Department's oversight of temporary managers and no alternatives were proposed.

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

e) Statement of Significant Adverse Economic Impact On Business

The CDSS has made an initial determination that the proposed regulations will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with

businesses in other states. This determination was made based on the proposed regulatory action, which was designed to impact only the facilities in which the applicable circumstances in Health and Safety Code section 1546.1(c) or 1569.481(c) exist. These regulations do not compel other licensees to take any action. The facilities of other licensees will not be eliminated or expanded, and new facilities will not be created.

f) Economic Impact Assessment

In accordance with GC section 11346.3(b), the CDSS has made the following assessments regarding the proposed emergency regulations. The CDSS has made an initial determination that there is no impact on California businesses as a result of filing these regulations because these regulations are only applicable to the facilities in which the applicable circumstances in Health and Safety Code section 1546.1(c) or 1569.481(c) exist. The proposed regulations clarify and interpret Sections 1546.1 and 1569.481 of the Health and Safety Code. The authorizing statutes permit but do not require interested temporary manager applicants to submit an application package to the Department and to comply with the Department's procedural requirements.

These regulations include requirements for the qualifications, selection and appointment of a temporary manager, the facility improvement plan and the finances associated with the temporary manager of an adult residential community care facility or Residential Care Facility for the Elderly.

Creation or Elimination of Jobs Within the State of California

The proposed regulations will neither significantly impact the creation nor elimination of jobs in the State of California. The justification for this statement is that the proposed regulations implement the above-mentioned statutes and provide the guidance necessary for temporary manager appointment if a temporary manager is required.

Creation of New or Elimination of Existing Businesses Within the State of California

The proposed amendments will neither create nor eliminate existing businesses within the State of California. The proposed regulations establish requirements for temporary managers if one is required in a facility.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California

The proposed amendments will neither expand nor eliminate businesses in the State of California. The justification for this statement is that the proposed regulations establish temporary manager procedures and standards that are based on the above-mentioned statutes.

Benefits of the Regulations

The proposed regulations create additional safeguards to protect the residents of adult residential care facilities and Residential Care Facilities for the Elderly. By clarifying the qualifications, appointment process, and duties of temporary managers, these regulations ensure that the quality of care and supervision does not decline during the appointment of a temporary manager.

The document relied upon in proposing this regulatory action is SB 855 (Chapter 29, Statutes of 2014), Section 11 (Health and Safety Code section 1546.1) and Section 24 (Health and Safety Code section 1569.481).

g) Benefits Anticipated from Regulatory Action

This regulatory action will help support the health and safety of residents in adult residential community care facilities and Residential Care Facilities for the Elderly and will help facilitate the appointment of a temporary manager.

h) Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new, specific technologies or equipment.